

YELLOWSTONE BOYS & GIRLS RANCH

PUBLIC HEALTH, WELFARE & SAFETY

Exhibit No. 2

Date 3/4/2011

Bill No. HB 410

Members of the Senate Public Health Welfare & Safety Committee

**RE: HB409 & HB410 – Rate Commission Bills
March 4, 2011**

Yellowstone Boys & Girls Ranch is in strong support of the passage of HB 409 and 410.

Yellowstone Boys and Girls Ranch (YBGR) has been in the business of serving high risk youth and families for the past 53 years. We offer the full array of services from Psychiatric Residential Treatment Care to in home services. On any given day we provide services to approximately 50 statewide youth in residential services and over 500 kids and families in the communities of 14 counties in Montana. YBGR is funded by fees from DPHHS agencies, Medicaid and is contracting now with insurance companies such as Blue Shield Blue Cross. YBGR also serves youth from other states.

The 2010 annual revenues were \$25.5 million including \$2 million in donations and gifts. Our total expenditures were \$24.4 million and our annual salary and benefits cost were \$17.3 million with a total of 426 employees.

In the mid 1980's the Department of Family Services developed a rate matrix that included foster care, therapeutic foster care and group care. These rates were based on 78% of actual costs. Since then 1-2% rate increases have been provided in some legislative sessions, but to date this matrix has not been revisited or reevaluated. These rates also cover the room and board portion of all out of home services except for Psychiatric Residential Treatment Facilities.

In the mid 1990's many services were refinanced to Medicaid including the treatment portion of Therapeutic Foster care and Therapeutic Group Care. During that time intensive family based services and case management began to emerge. The CMHB has begun the process of developing cost reports in the areas of PRTF, Therapeutic Group Care and Case Management.

The Rates Commission legislation was passed in 2005. The Commission is responsible to provide recommendations and oversight in developing *transparent* methodology and oversight for rate setting in DPHHS for providers of high risk children, the disabled, mentally ill and seniors. This methodology is required by Federal Medicaid Law.

"It sure makes a difference when you know somebody cares"

The intent of the Rate Commission is also to ensure *accountability* of State Government in how rates are set and requiring providers to show results and outcomes and for both to be good *stewards* of public funds.

The Commission is made up of consumers of services, legislators, and providers of services. This process creates an open and defensible process free from politics and policies.

HB 409 amends the structure of the Rates Commission by changing who are voting members and advisors. It also changes and clarifies role of DPHHS Department, requiring 2 staff to assist the Commission. It creates further efficiencies and relieves conflicts of interest for DPHHS and other government representatives.

HB 410 sets the methodology and process to analyze, monitor and identify important factors impacting rates each provider group on a regular basis. It does the same thing for data collection to determine outcomes of providing the services.

Both bills require that these functions are to be implemented within the existing funds of DPHHS. No other funds can be used.

Most importantly, the real emphasis of Rates Commission is about the purchasing of quality services and receiving quality outcomes for public human services. It is about honest, open government. It is about requiring responsibility and accountability of both the State of Montana and providers who serve our most vulnerable populations: high risk children, the disabled, mentally ill and seniors. It is about ways of improving government and being good stewards of public funds paid for the tax payers of Montana.

Please pass HB 409 and 410.

Thank you,

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